

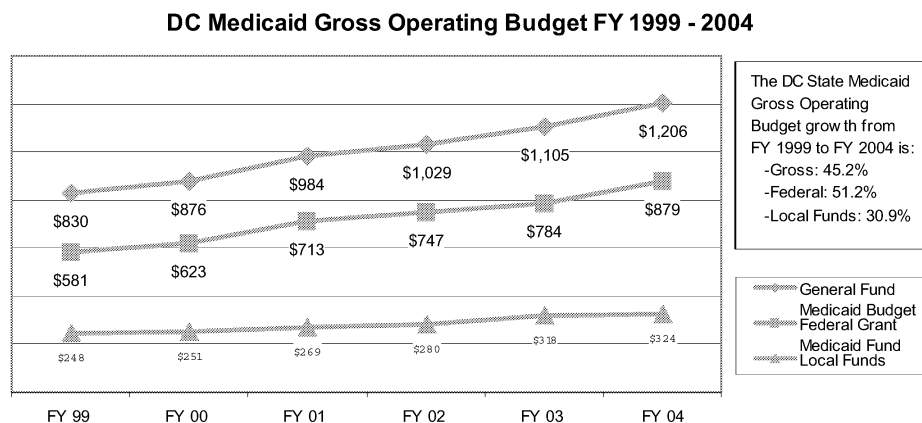
Benchmarking in the District of Columbia

Benchmarking

The Government of the District of Columbia is committed to fostering continued improvement through best practices. Benchmarking is one such best practice. District officials have approved agency benchmarking as an important component of performance-based budgeting. The District provides services at the special district, city, county, and state levels of government, and supports the nation's headquarters for federal operations. This unique blend of service delivery makes it difficult to choose comparable jurisdictions. Factors that determine comparison include type of government, community demographics, and geography.

The Office of Budget and Planning (OBP) completed benchmarking studies for program areas of interest as requested by the Mayor. Recently, OBP examined the Department of Health's Medicaid Program and D.C. Public Schools. These were identified as areas in D.C. government that presented increasing costs, which cannot be sustained. The studies provide stakeholders an opportunity to assess how the District compares with other jurisdictions providing the same service. The D.C. State Medicaid Program and D.C. Public Schools benchmarks are models for future benchmarking in the District and are illustrated below. Currently, the District uses three types of benchmarks:

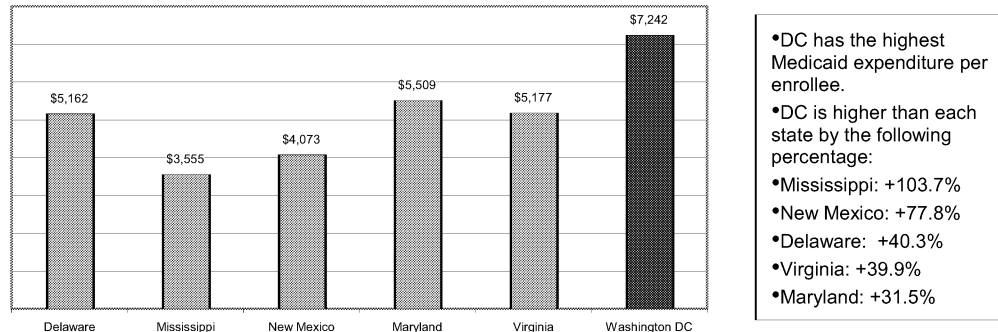
- Trends over time - internal focus on historical data of department programs and operations.



Note: Dollars in Thousands. D.C. State Medicaid Gross Operating Budget FY 1999 - 2004 Information - SOAR. Gross Operating Budget includes all funds (Local, Federal, Special Purpose Revenue, and Private Grants). Data for FY 1999-2003 reflects actual expenditures. Data for FY 2004 is based on the FY 2004 Approved Budget.

- Comparisons against other jurisdictions at a point in time - compare environments, results, outputs, demands, and efficiencies with other jurisdictions to gauge the efficiency and effectiveness of District programs.

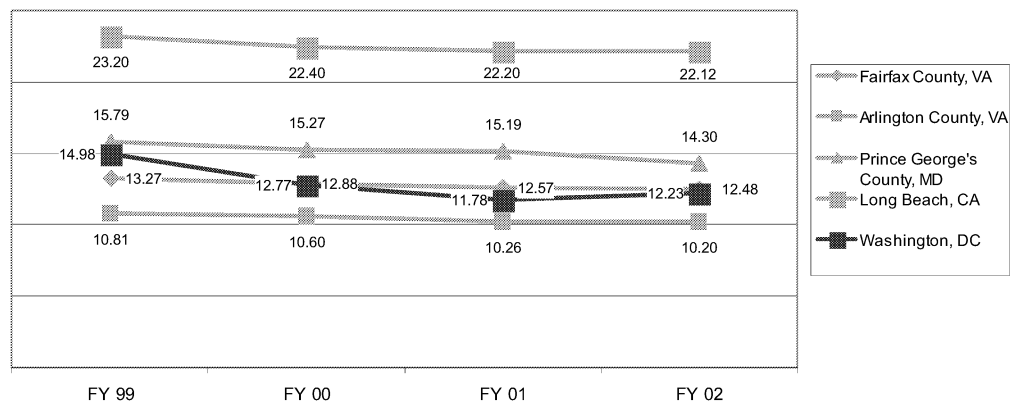
FY 2001 Medicaid Expenditures Per Enrollee



Note: Federal Medicaid Expenditures, Enrollment FY 2001: Centers for Medicare and Medicaid Services: <http://www.cms.hhs.gov/medicaid/mbes/sttotal.pdf>, <http://www.cms.hhs.gov/medicaid/msis/msis99sr.asp>

- Composite benchmarks - provide more in-depth analysis of District performance relative to other jurisdictions over time.

Student/Teacher Ratio FY 1999 - 2002



Note: Fairfax, Prince George's County, and Long Beach Enrollment and Teachers provided by individual jurisdictions. Arlington, Boston, Charlotte, and Washington DC Teachers: DCPS. Washington, DC Enrollment: OCFO.

Benchmarks provide valuable information to identify opportunities for operational improvements and/or efficiencies. Data usefulness is contingent upon the veracity of sources, measures, and interpretation. Through analyzing many sides of an issue, a more complete picture emerges. Compilations of benchmarks tell a story that would not otherwise be evident from one benchmark alone. The story unfolds through the order and format of the benchmarks presented including trends, comparisons, and composite measures. The goal is to provide objective analysis to inform management about operations, funding, and service delivery. The District is currently not able to benchmark everything given existing resources, however, studies will continue in areas of interest.

FY 2005 Agency Benchmarks

For FY 2005, the Office of Budget and Planning (OBP) coordinated benchmarking for performance-based budgeting agencies. Thirty-three agencies transitioned to Performance -Based Budgeting (PBB) in FY 2003 and FY 2004. These constitute the universe of agencies asked to participate in the benchmarking effort for the FY 2005 budget. For many of these agencies, FY 2005 marks the first time they benchmarked programs to other jurisdictions or national standards in preparation for upcoming budget deliberations.

Agencies were given discretion in choosing the program measures for benchmarking purposes. Each agency also collected and developed its own benchmark data. However, agencies were required to submit documentation to OBP. A standard form was developed by OBP staff and completed by agency program staff. The documentation includes: clarifying definitions of program-specific terminology, methodology for data collection and calculation, and identification of all data sources. Sources of data vary by benchmark and include federal reports, national and industry publications, as well as primary research with other jurisdictions. Data is provided for the most recent years available. In some cases, data is available for as recently as FY 2003; in other cases the most recent available data is from FY 2001.

This section contains 39 benchmarks for 18 agencies. Aligning with the format of the District's budget book, the benchmarks are presented here by appropriations title and organized alphabetically by agency code. Each benchmark is presented with a brief description, graph, and observations.

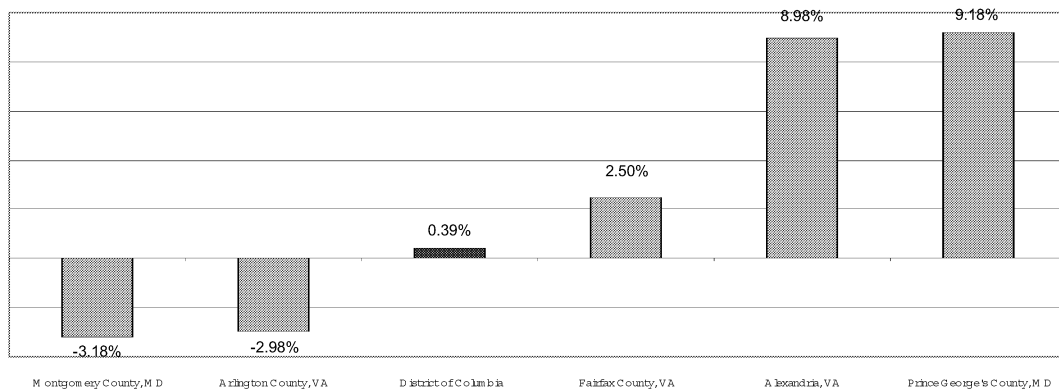
Governmental Direction and Support

Office of the Chief Financial Officer (AT0)

Program: Budget Development and Execution

One of the key benchmark measures for this program is the percent variance between actual and projected expenditures in the General fund. This measure ties to the District's citywide strategic priority of Making Government Work. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Chart 1-1: Percent variance between actual and projected expenditures in the general fund in FY 2003



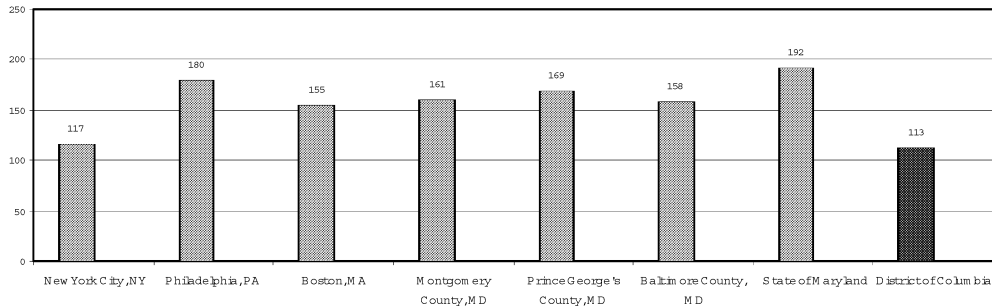
Note: The Office of Budget and Planning provided all benchmark data.

This data shows that in FY 2003, the District executed its budgeted more effectively than these neighboring jurisdictions. A small variance can be an indicator that a jurisdiction performs well at estimating expenditures and/or is successful in controlling expenditures throughout the fiscal year. Additionally, a positive variance is considered better than a negative variance, as a negative variance indicates that spending exceeded budget authority.

Program: Financial Operations and Systems

One of the key benchmark measures of this program is the number of days from the end of the fiscal year to the issue date of the FY 2003 Comprehensive Annual Financial Report (CAFR). This measure ties to the District's citywide strategic priority of Making Government Work. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Chart 1-2: Number of days from end of fiscal year to issue date of FY 2003 Comprehensive Annual Financial Report (CAFR)



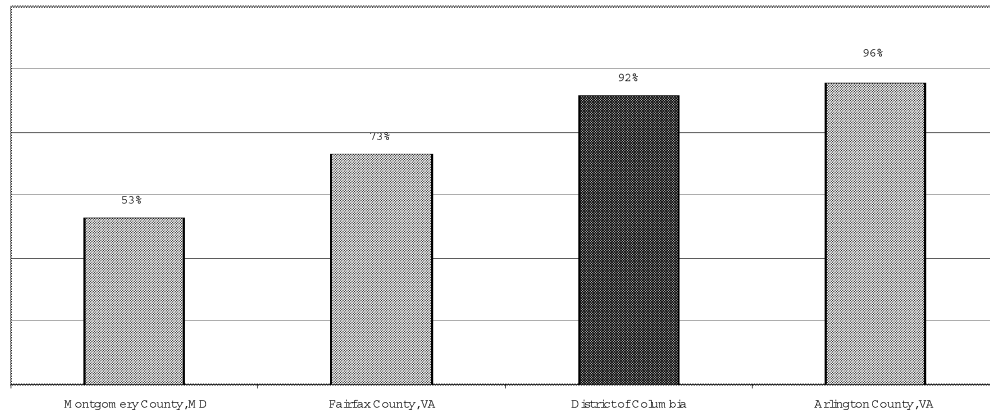
Note: The Office of Financial Operations and Systems provided all benchmark data.

This data shows that in FY 2003, the District issued the CAFR more quickly than any of the benchmark jurisdictions. The timely completion of the CAFR is significant to the budget preparation process by providing audited data essential to the formulation of the baseline budget. The successful completion of the CAFR, with a clean opinion, gives the Mayor and Council the ability to make better policy decisions. Information becomes truly powerful and financial decisions are more relative and effective, when based on accurate and timely financial data. Moreover, timely financial information is more useful to stakeholders, particularly rating agencies and bondholders, in their analysis and monitoring of the District's financial condition and position.

Program: Integrity and Oversight

One of the key benchmark measures of this program is the percent of Office of the Chief Financial Officer (OCFO) audit recommendations that were fully or partially accepted by the audited agency. This measure ties to the District's citywide strategic priority of Making Government Work. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Chart 1-3: Percent of audit recommendations that were fully or partially accepted by the audited agency in FY 2003



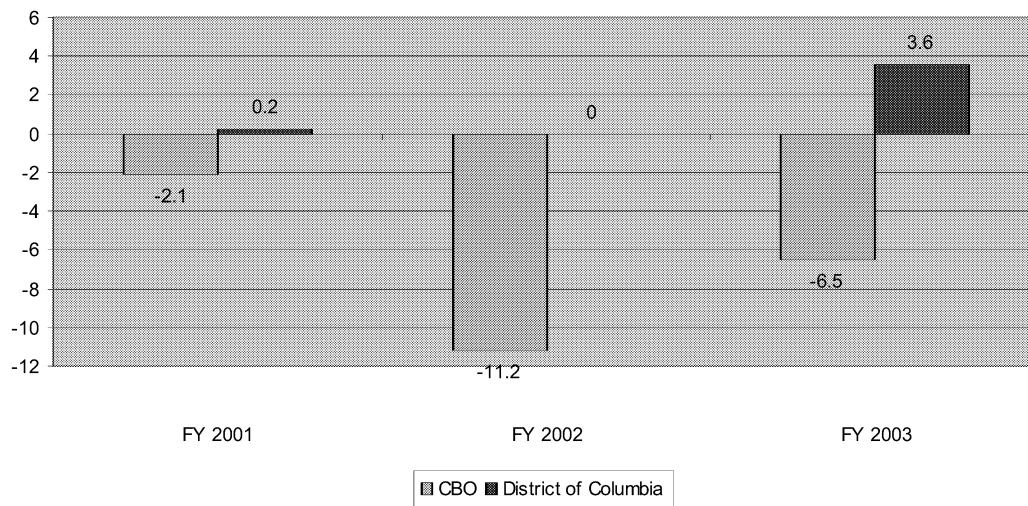
Note: The Office of Integrity and Oversight (OIO) provided all benchmark data.

According to the Office of Integrity and Oversight, this particular benchmark was selected because OIO audits address a broad spectrum of District government activities, and this measures the effectiveness of the audits in the terms of impacting positive change in OCFO programs and District government operations. This data indicates that the District has the second highest acceptance rate for audit recommendations when compared to these surrounding jurisdictions.

Program: Revenue and Analysis

One of the key benchmark measures of this program is the percent variance between estimated and actual revenues. This measure ties to the District's citywide strategic priority of Making Government Work. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Chart 1-4: Percent variance between estimated and actual revenues



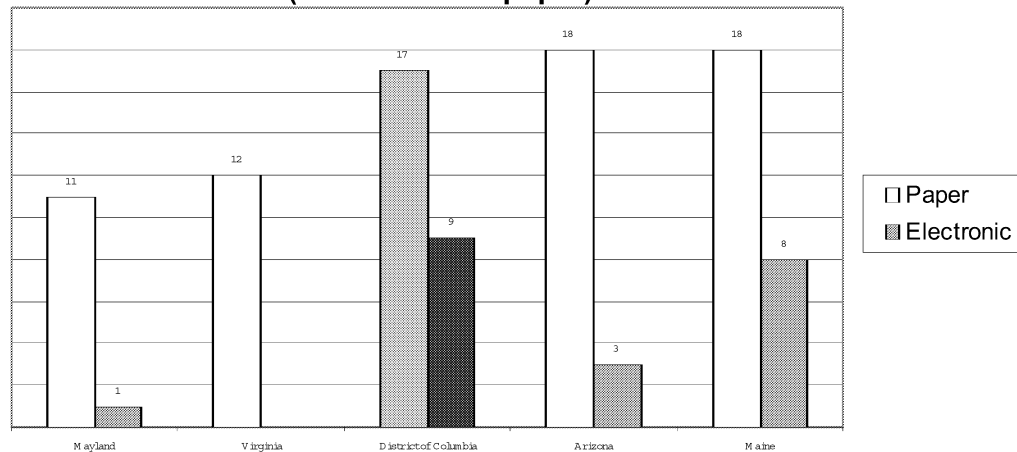
Note: The Office of Revenue Analysis (ORA) provided all benchmark data.

According to the Office of Revenue Analysis, this particular benchmark was selected because revenue estimation is ORA's core function. Comparing ORA's performance to the Congressional Budget Office (CBO) is appropriate because CBO estimates revenue for the same fiscal year as the District; jurisdictions such as Maryland and Virginia estimate revenues on a different budget cycle. Also, CBO is a non-partisan organization and it has acquired a strong reputation for quality revenue estimation and analysis. These data indicate that the District has more accurately estimated its revenues over the past three fiscal years when compared to CBO revenue estimates for the federal budget. Both the District and federal fiscal year begins on October 1. The District develops its estimates in May while CBO develops its estimates in August.

Program: Tax Administration

One of the key benchmark measures for the Tax and Revenue (OTR) program is the average number of days to process a tax refund (electronic and paper submissions). This measure ties to the District's city-wide strategic priority of Making Government Work. The accompanying table illustrates the District's performance with benchmark jurisdictions.

**Chart 1-5: Average number of days to process a tax refund
(electronic and paper) in FY 2003**



Note: The Office of Tax and Revenue provided all benchmark data. Benchmark data for Virginia's processing of electronic submissions was not available.

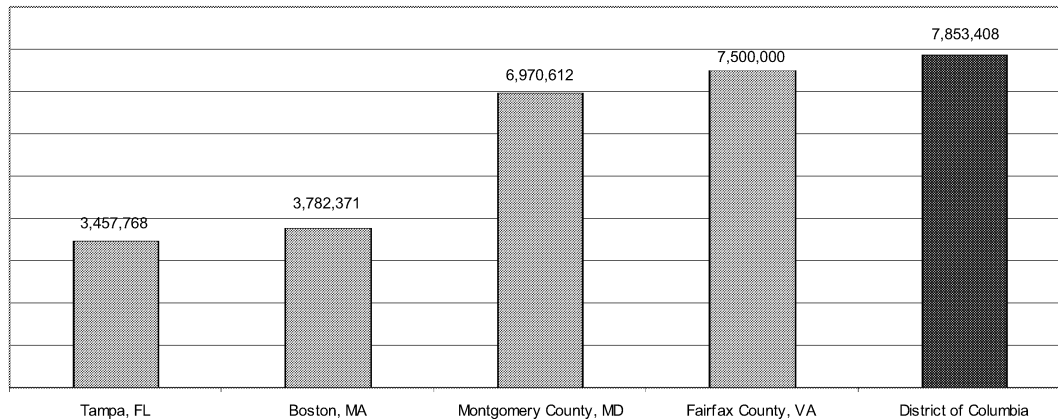
According to OTR, this data indicates that the District has the highest turnaround time for processing electronic submissions when compared to the benchmark jurisdictions. While the District average for processing paper submissions is one day less than Arizona and Maine, it is 5 and 6 days more than Virginia and Maryland, respectively.

Office of the Chief Technology Officer (T00)

Program: E-Government Public Outreach and Education

One of the key benchmark measures for the Office of the Chief Technology Officer's (OCTO) E-Government Public Outreach program is the number of visits to the city/county website. This measure ties to the District's Citywide strategic priority of Making Government Work. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Chart 1-6: Number of visits to the city/county website in 2003



Note: The Office of the Chief Technology Officer provided all benchmark data. All of the data are from Calendar Year 2003 except for Fairfax, VA, which is based on Fairfax County's fiscal year.

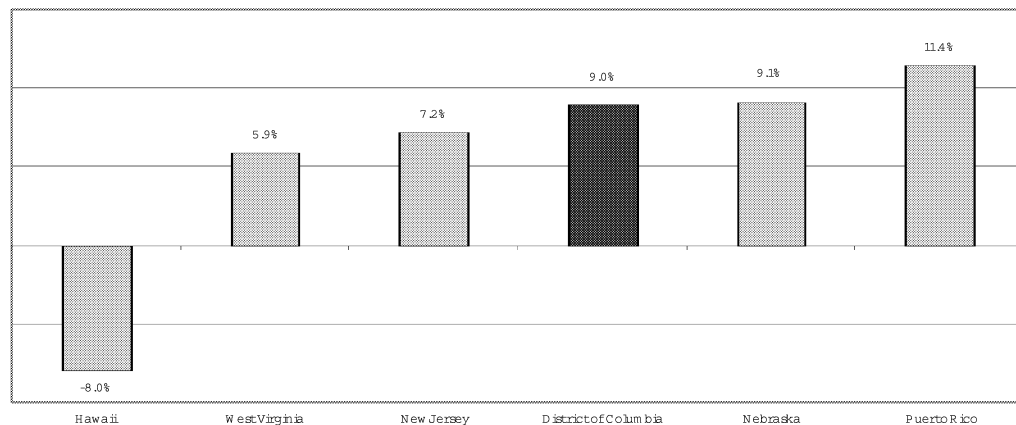
This benchmark shows that the District had more visits to its website than the other jurisdictions that were compared. The District's website was named the best municipal website by the Center for Digital Studies and Government Technology Magazine in 2003. OCTO indicates that the data may indicate how well the public outreach campaign is working and the level of demand that exist for specific applications and portals from District residents.

Office of the Corporation Counsel (CB0)

Program: Child Support Enforcement

One of the key benchmark measures for the Office of the Corporation Counsel's (OCC) Child Support Enforcement program is the percent change in number of child support orders requiring a parent to pay child support. This measure ties to the District's citywide strategic priority of Making Government Work. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Chart 1-7: Percent change in number of court orders requiring a parent to pay child support in FY 2002



Note: The Office of the Corporation Counsel provided all benchmark data.

According to the OCC, the Child Support Enforcement Division constitutes approximately 40 percent of the agency. The primary objective of the program, collection and distribution of child support payments, is substantially contingent upon the establishment of orders. The more orders established, the more children can be served. For the District of Columbia, this data indicates an increase in the number of delinquent parents ordered to pay child support from FY 2002 to FY 2003. The 9.0 percent increase is comparable to Nebraska, but 2.4 percentage points less than the Puerto Rico, which had the highest increase of 11.4 percent.

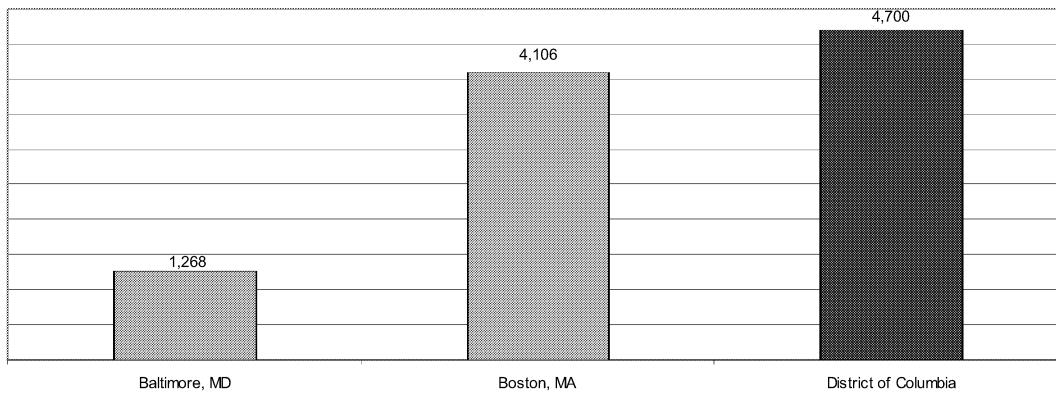
Economic Development and Regulation

Office of the Deputy Mayor for Planning and Economic Development (EB0)

Program: Office of the Deputy Mayor for Planning and Economic Development

One of the key benchmark measures for the Office of the Deputy Mayor for Planning and Economic Development (ODMPED) program is the number of new residential units, as measured by building permits. This measure ties to the District's citywide strategic priority of Promoting Economic Development. The accompanying table illustrates the District's performance with benchmark jurisdictions.

**Chart 1-8: Number of new residential units measured by building permits
(Calendar Year 2000 - November 2003)**



Note: The Office of the Deputy Mayor for Planning and Economic Development provided all benchmark data.

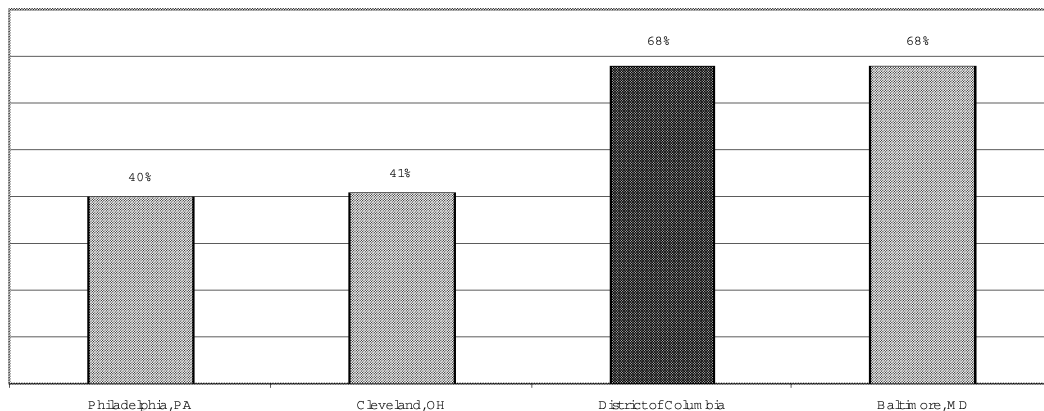
According to ODMPED, new construction can be a measure of the investment climate, demand for living in the District, and progress toward the Mayor's goal to attract more residents.

Department of Employment Services (CF0)

Program: Project Empowerment

One of the key benchmark measures for the Department of Employment Services' (DOES) Project Empowerment program is the percent of TANF/Welfare-to-Work participants who enter subsidized employment transitioning to unsubsidized employment. This measure ties to the District's citywide strategic priority of Strengthening Children, Youth, Families, and Elders. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Chart 1-9: Percent of TANF/Welfare-to-Work participants transitioning from subsidized employment to unsubsidized employment in FY 2003



Note: The Department of Employment Services' Project Empowerment provided all benchmark data. Temporary Assistance to Needy Families (TANF) is a federal program (administered by the U.S. Department of Health and Human Services) that provides financial assistance to low-income children, families, and elderly and disabled individuals. This program is operated by the states (in the District, Department of Human Services). Welfare-to-Work (WTW) is a federal program (administered by the U.S. Department of Labor) that provides intensive transitional employment assistance to hard-to-employ TANF recipients and non-custodial parents. This program is operated by the states (in the District, DOES). Subsidized employment is employment with entities that enter into agreements for this purpose with DOES in which all wages and fringe benefits are paid by DOES with TANF or WTW funds. Unsubsidized employment is employment with entities in the private, non-profit, or government sectors in which all wages and benefits are paid by the employer and not subsidized by DOES.

According to DOES, this benchmark was chosen because of the District's continued focus on successful implementation of welfare reform. Compared to the benchmark jurisdictions, the District has a transition rate equal to that of Baltimore, but 27 and 28 percentage points higher than Cleveland, and Philadelphia, respectively. The 68 percent transition rate also indicates the District is performing well in transitioning participants from subsidized employment to unsubsidized employment. The higher the percentage of individuals transitioning to unsubsidized employment, the lower the number of persons being paid TANF and associated benefits by the District, and the higher the number of individuals/families achieving economic self-sufficiency.